

Academics from around the world convene at the Mid-Year Fellows Workshop in Honor of Louis O. Kelso

By Thomas Roback, Jr., CEP, QKA

Blue Ridge ESOP Associates was proud to be represented again at the Mid-Year Fellows Workshop in Honor of Louis O. Kelso in January. This workshop was organized by Institute for the Study of Employee Ownership and Profit Sharing of the Rutgers University School of Management and Labor Relations. The program is named after Louis Kelso who was a political economist, corporate and financial lawyer, author, and merchant banker. He is widely credited as the inventor and pioneer of the Employee Stock Ownership Plan (ESOP), enabling workers without savings to own stock in their employer company. The purpose of the annual workshop is to study broad-based forms of capital ownership and capital income such as employee stock ownership, equity compensation, profit sharing, gain sharing, and worker cooperatives in the corporation. The workshop also explores approaches to broadened citizen capital ownership, “second income”, and dividend funds for citizens in the society in the United States. The workshop provides an opportunity for scholars to present research in progress, receive mutual mentoring and feedback, work on joint research projects and publications, and meet foundation officials and publishers interested in this scholarship. The workshop convenes members of the research Fellowship Program of the Institute for the Study of Employee Ownership and Profit Sharing from around the globe.

Senior Fellow Erik Olsen organized the agenda and kicked the program off at 7 pm on a chilly Friday night. Dr. **Joseph Blasi**, Director, Fellowship Program and J. Robert Beyster Distinguished Professor, Rutgers School of Management and Labor Relations and Rutgers Business School kept everything on schedule. Dr. **Douglas Kruse**, Associate Director, Fellowship Program and J. Robert Beyster Faculty Fellow; Distinguished Professor and Associate Dean, Rutgers School of Management and Labor Relations wore a judicial robe brought to New Jersey from his mother. It was special to have her attend and see Dr. Kruse in action. **Bill Castellano**, Executive Director, New Jersey/New York Center for Employee Ownership; Department Chair, Human Resource Management, Rutgers School of Management and Labor Relations provided a solid update on the Center and has involved some important players in the equity compensation field. **Adrienne Eaton**, Dean and Professor of Labor Studies and Employment Relations, Rutgers School of Management and Labor Relations also made valuable contributions to the 2 day program. It is always great to see Michael Keeling of the ESOP Association at this meeting and we hope he continues to attend in retirement.

We all enjoyed the keynote address in the form of a “mock trial”. Co-chairs Janet Boguslaw, W. K. Kellogg Foundation Fellow, Rutgers School of Management and Labor Relations; Lecturer, Senior Scientist, and Associate Director, Institute on Assets and Social Policy, Brandeis University, Heller School for Social Policy and Management and Kyongji Han, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Assistant Professor, Hankamer School of Business, Baylor University. The Keynote Speaker Dr. Richard Freeman J. Robert Beyster Faculty Fellow and Mentor, Rutgers School of Management and Labor Relations; Herbert Ascherman Professor of Economics, Harvard University led an entertaining “trial” and

history of his thoughts and accomplishments in the “Evidence in the Case of the State of New Jersey Against Freeman”. Discussants were Dr. Douglas Kruse and Takao Kato, Faculty Mentor and Fellow, Rutgers School of Management and Labor Relations; W.S. Shupf Professor of Far Eastern Studies and Professor of Economics, Colgate University.

On Saturday we started the morning off with Case Studies of Broad-based Employee Ownership Chair, Christopher Mackin, Ray Carey Fellow and Adjunct Lecturer, Rutgers School of Management and Labor Relations; Faculty Member, Harvard Trade Union Program, Harvard Law School Labor and Worklife Program moderated case study on *Chobani and Early-stage Research on Computershare* with James Hayton, J. Robert Beyster Fellow, Rutgers School of Management and Labor Relations; Professor, Human Resource Management and Entrepreneurship, Associate Dean of the Doctoral Program, and Enterprise Research Center, University of Warwick, Warwick Business School. Then we learned about *Haier* from Frank Shipper, Kevin Ruble Fellow and Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Professor and Maryland Regents Research Award Winner, Management Salisbury University, Franklin P. Perdue School of Business. Dick May finished with a *Midwest Grocery Chain: Challenges and Lessons*.

The Discussants provided extra value for the audience. Jennifer Briggs, Executive Fellow, Rutgers School of Management and Labor Relations; University of California at San Diego Beyster Institute and former Vice President of Organizational Development, New Belgium Brewery told us how Patagonia was like a big experiment and sometimes there aren’t any real best practices to follow. She has witnessed common unity (or community) first hand at New Belgium. Peter Thompson, Robert W. Edwards Fellowship for Advanced Study of Employee Stock Ownership and Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Clinical Associate Professor, College of Business Administration, University of Illinois at Chicago also provided useful words of wisdom.

Camille Kerr, Executive Fellow, Rutgers School of Management and Labor Relations; independent cooperative/worker ownership consultant and former NCEOer led interesting Cooperative discussions during the meeting. National Center for Employee Ownership (NCEO) Research Project Director, Nancy Wiefek, Robert W. Edwards Fellowship for Advanced Study of Employee Stock Ownership, Corey Rosen Fellow, Rutgers School of Management and Labor Relations shared timely research results on Sunday which proves employee ownership works.

One of the highlights was an ESOP company panel of CEOs moderated by Joyce Klein, Director, FIELD economic opportunities program, The Aspen Institute and Ginny Vanderslice, Faculty Fellow and Mentor, Rutgers School of Management and Labor Relations; Principal and Senior Consultant, Praxis Consulting Group, Inc; Academic Director and Adjunct Faculty in Dynamics of Organization, University of Pennsylvania.

Paul Decker of Mathematica Policy Research led off and shared their unique ESOP timeline. They were traded on the American Stock Exchange, bought by Martin Marrietta and employees bought back the company in 1986. Their ESOP started in 2005. BL Companies CEO, Carolyn Stanworth, also shared their story and answered some tough questions from the audience. They get the most out of their ESOP since the 2006 inception. A personal highlight was the presentation by EA Engineering, Science, and Technology, Inc. PBC (EA) CEO, Ian

MacFarlane. Ian got our attention right away by noting that we will not affect climate change unless we change the political economy. EA is people-cultured and mission-focused. They had a strong ownership culture even before their ESOP and the company has always been staff-driven. Founded in 1973 by a Johns Hopkins professor EA now has over 500 employees with 25 offices. EA went public in 1986 and I personally owned EACO in the 90s. They went private in 2001, did a partial ESOP in 2005 and went 100% ESOP in 2014 when they became a legal Benefit Corporation. EA has always been client committed and has been 100% committed to their employees since they went private. They have a bottom up sustainability history inspired by their millennial employees. Turnover is only 7% compared to 12% in their industry. EA doubled the Gallup employee engagement score after the ESOP was implemented. They get high scores from federal clients and their win rate improved over 20% after the ESOP. Their Treasurer, Peter Ney, probably has the most technical ESOP knowledge of any plan sponsor in the ESOP world. Ian and Peter are great examples of what servant leadership means. I have visited EA several times and they definitely practice what they preach.

It was encouraging to see so many academics all over the world interested in employee ownership. Here is a list of speakers and discussants who presented at this workshop:

Lisa Schur, W.K. Kellogg Fellow, Rutgers School of Management and Labor Relations; Professor and Chair, Labor Studies and Employment Relations, Rutgers School of Management and Labor Relations

Maureen Conway, Executive Fellow, Rutgers School of Management and Labor Relations; Vice President for Policy Programs, Executive Director of Economic Opportunities Program, The Aspen Institute

Frank Iannuzzi, Legislative Director of Philadelphia City Councilmember At-Large Derek S. Green, *JD* Temple University Beasley School of Law

Minsun Ji, J. Robert Beyster Fellow, Rutgers School of Management and Labor Relations, Director, New Directions in Civic Leadership, Labor, and Community Organizing Program, University of Colorado at Denver, Doctorate in international studies, University of Denver Korbel School of International Studies

Carla Ilten, George S. Pillsbury Fellow, Rutgers School of Management and Labor Relations, Ph.D. Candidate, Sociology, University of Illinois at Chicago

Trebor Scholz, Faculty Fellow and Mentor, Rutgers School of Management and Labor Relations; Associate Professor of Culture and Media, School for Liberal Arts, Eugene Lang College, The New School;

Daphne Berry, W. K. Kellogg Foundation Fellow, J. Robert Beyster Fellow, Rutgers Research Fellow, Kevin Ruble Fellow, Rutgers School of Management and Labor Relations; Associate Professor, Barney School of Business, Department of Management, University of Hartford; Doctorate in management from the University of Massachusetts at Amherst

Robert Ashford, Faculty Mentor and Fellow, Fellowship Program, Rutgers School of Management and Labor Relations; Professor of law, Syracuse University School of Law;

David Calnitsky, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Assistant Professor, Department of Sociology, The University of Western Ontario;

Maurie Cohen, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Professor, Department of Humanities and Director of the Program in Science, Technology, and Society, New Jersey Institute of Technology;

Joyce Klein, Director, FIELD economic opportunities program, The Aspen Institute; Master's Degree in Public Policy, University of California at Berkeley

Lisa Schur, W.K. Kellogg Fellow, Rutgers School of Management and Labor Relations; Professor and Chair, Labor Studies and Employment Relations, Rutgers School of Management and Labor Relations; J. D., Northeastern University School of Law

Rob Stone, Founder and CEO, Datavest

Andy Kim, Louis O. Kelso Fellow, Corey Rosen Fellow, Rutgers School of Management and Labor Relations; Associate Professor of Finance, Sungkyunkwan University; Doctorate in industrial relations and human resources, Rutgers School of Management and Labor Relations

Trevor Young-Hyman, Bill and Connie Nobles Fellow, Fidelity Investments Fellowship in Equity Compensation and Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Assistant Professor, Organizations and Entrepreneurship, University of Pittsburgh, Joseph M. Katz Graduate School of Business and College of Business Administration

Ethan S. Bernstein, Edward W. Conard Associate Professor of Business Administration, Harvard Business School; Doctorate in business administration, Harvard University

Ruth Kennedy, independent scholar; Doctorate in organizational development, Fielding Graduate University

Bob Davids, Founder of several freedom-based management companies, and author of *Leadership Without Ego*

Bill Nobles, Executive Fellow, Rutgers School of Management and Labor Relations

Mathew Lawrence, Director of Common Wealth, Master of Science, London School of Economics, Master of Arts, Columbia University

Peter Gowan, Policy Associate at the Democracy Collaborative, Master of Arts Dublin City University

James Meadway, Economic Policy Advisor; Doctorate in economics, School of Oriental and Asian Studies, University of London

Karla Walter, J. Robert Beyster Fellowship and Louis O. Kelso Fellowship, Rutgers School of Management and Labor Relations; Director, Employment Policy, Center for American Progress, Washington, D.C.

Marshall Vance, Joseph Cabral Distinguished Scholar and Fellow, Fidelity Investments Fellow, Blue Wolf Capital Fellow, Rutgers School of Management and Labor Relations; Visiting Assistant Professor, University of Michigan School of Business.

Michael Thomas Paz, Robert Edwards Fellow, Rutgers School of Management and Labor Relations; Assistant Professor, Accounting, SC Johnson College of Business, Cornell University

Muhammad Azim, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Ph.D. candidate in Accounting, University of Toronto Rotman School of Management

Saehee Kang, Corey Rosen Fellow, and Ph.D. candidate, Rutgers School of Management and Labor Relations

Narae Lee, Doctoral candidate, Public Policy, George Mason University

Wilma Liebman, Faculty Fellow and Mentor, Rutgers School of Management and Labor Relations; Adjunct Professor, New York University Law School

Jack Towarnicky, Executive Director, Plan Sponsor Council of America, JD South Texas College of Law Houston

Lenore Palladino, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Senior Economist and Policy Counsel at the Roosevelt Institute

Tej Gonza (for David Ellerman), President at Institute for Economic Democracy, Master's Degree, Philosophy and Economics, Erasmus University Rotterdam

Ariana Levinson, Michael W. Huber Fellow, Corey Rosen Research Fellow, Rutgers School of Management and Labor Relations; Associate Professor, Louis D. Brandeis School of Law, University of Louisville

Jonathan Handel, attorney at TroyGould and author of *Entertainment Residuals: A Full Color Guide*, and *Entertainment Unions and Guilds: An Interdisciplinary Bibliography*. Adjunct professor at USC Law School and Southwestern Law School.

Jung ook Kim, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Ph.D. Candidate, Industrial Relations and Human Resources, School of Management and Labor Relations, Rutgers University

David Wren, Senior Lecturer, Sheffield Hallam University; Doctorate in business, Sheffield Hallam University

Joo H. Han, Louis O. Kelso Fellow and Morgan Stanley Fellow; Assistant Professor, Human Resource Management, Rutgers School of Management and Labor Relations

Robynn Joyce Afi Cox, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Assistant Professor of Economics, Spelman College

Phillip Mellizo, Joseph Cabral Distinguished Scholar and Fellow, Louis O. Kelso Fellow, Rutgers Research Fellow, Rutgers School of Management and Labor Relations; Associate Professor, College of Wooster, Department of Economics

Alicia Eads, J. Robert Beyster Fellow, Rutgers School of Management and Labor Relations; Postdoctoral Fellow, Department of Sociology, University of Toronto

Dan Weltmann, Kevin Ruble Fellow, Louis O. Kelso Fellow, and Corey Rosen Fellow, Rutgers School of Management and Labor Relations; Assistant Professor, Management, Western Connecticut State University

Richard Hoffman, Professor, Management and Marketing, Salisbury University, Franklin P. Perdue School of Business; Doctorate in management, Indiana University – Bloomington

Christopher Michael, Louis O. Kelso Fellow, Rutgers Research Fellow, and Q.A. Shaw McKean Jr. Fellow, Rutgers School of Management and Labor Relations; Director of Employee Ownership at the Newark Community Economic Development Corporation; Founder, New York City and New York State Worker Cooperative Business Association

Bridget Carroll, Lecturer, Department of Food Business & Development, researcher in the Centre for Co-operative Studies, Cork University Business School, University College Cork

Mark Kaswan, W. K. Kellogg Foundation Fellow, J. Robert Beyster Fellow, and Michael W. Huber Fellow, Rutgers School of Management and Labor Relations; Assistant Professor, Political Science, University of Texas Rio Grande Valley

Mary Ann Beyster, Manager, Beyster Foundation for Enterprise Development; President, Yellow Warbler Media; MA from the MIT Sloan School of Management

Melissa Hoover, Executive Fellow, Rutgers School of Management and Labor Relations; Executive Director, Democracy at Work Institute

Robert Hockett, Faculty Fellow and Mentor, Rutgers School of Management and Labor Relations; Edward Cornell Professor of Law, Cornell Law School

Sarah Reibstein, Doctoral Candidate, Sociology, Princeton University

David Calnitsky, Louis O. Kelso Fellow, Rutgers University School of Management and Labor Relations; Assistant Professor, Department of Sociology, The University of Western Ontario

Martin Drake, Law Student, Harvard Law School

Nicolas Aubert, Professor of Finance, Aix-Marseille Graduate School of Management, Aix-Marseille University

Esben R. Thomasen Baek, M.Sc., Economics, The University of Copenhagen, Denmark

Mindy Z Xiaolan, Assistant Professor of Finance, University of Texas at Austin

Tony Fang, J. Robert Beyster Fellow, Rutgers School of Management and Labor Relations; Stephen Jarislowsky Chair in Economic and Cultural Transformation at Memorial University of Newfoundland, Adjunct Associate Professor (Research) University of Toronto Centre for Innovation and Research (IIC)

Dylan Nelson, PhD candidate, Sociology, University of Michigan

Lucas McGranahan, Corey Rosen Fellow, School of Management and Labor Relations, Rutgers University

Katherine Tait, PhD candidate, Sociology, University of North Carolina-Chapel Hill

Susanne Toney, Associate Professor, Chairperson, Department of Business, College of Business Administration, Savannah State University

Jung ook Kim, Rutgers University, and Dan Weltmann, Western Connecticut State University

Michael Lowenstein, Thought Leadership Principal with Beyond Philosophy; Doctorate in strategy, program development, and program management from ISGI Groupe Ecole Supérieure de Commerce de Lille (ESC Lille)

Cecile Betit, Louis O. Kelso Fellow, Rutgers School of Management and Labor Relations; Independent Researcher

I was inspired by having lunch at a small table with Dr. Virgil Wood*. He was a personal friend of Martin Luther King Jr. and worked with him to improve Civil Rights in this country. I hope to read his latest book soon. Dr. Wood has said that Dr. King does not have a legacy now. Unfortunately, racism still exists, and Dr. King's legacy should not be forgotten. He has some great ideas for the potential of developing a Fair Economy using employee ownership.

*Virgil Wood, church leader, educator, and civil rights activist; Ridenour Faculty Fellow, School of Public and International Affairs, Virginia Tech; former member of National Executive Board

of the Southern Christian Leadership Conference; former Dean and Director, the African American Institute and Associate Professor, Northeastern University at Boston; former Professor at Virginia Seminary and College Lynchburg; visiting Lecturer, Research and Teaching Fellow at Harvard University.

I look forward to attending again next year and hopefully we will dodge another snowstorm!